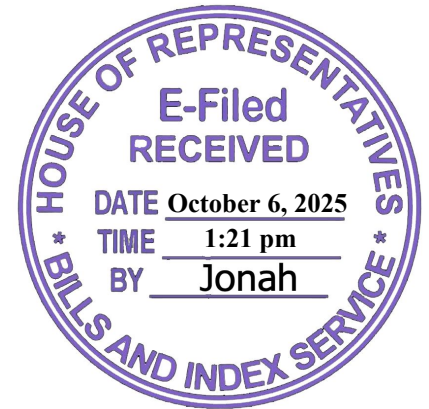




Republic of the Philippines
House of Representatives
Quezon City, Metro Manila

Twentieth Congress
First Regular Session



HOUSE BILL NO. 5161

Introduced by Representative Yedda Marie K. Romualdez

AN ACT
ENHANCING THE DISCOUNT ON THE PURCHASE OF GOODS AND
SERVICES OF SENIOR CITIZENS AND PERSONS WITH
DISABILITIES

EXPLANATORY NOTE

Assisting vulnerable members of society is essential because it upholds human dignity and rights, fosters economic stability and strengthens social cohesion by ensuring no one is left behind. A society that supports its vulnerable members demonstrates greater compassion, builds a more supportive environment for all, and aligns with the principles of human rights and sustainable development.

Senior citizens are vital to society as holders of history, culture, and experience, and are crucial for nation-building and inspiring future generations. On the other hand, Persons with Disabilities (PWDs) are also recognized as active, contributing members of society, whose inclusion is crucial for their rights and for the nation's development.

This bill seeks to uphold the preferential treatment granted to senior citizens and persons with disabilities (PWDs) by requiring the State to adopt a unified and accessible approach in delivering essential programs and social services to them. This aligns with the State's policy of fostering a just and

dynamic social order that ensures national progress and lifts people out of poverty.

The measure reinforces that the discounts granted to senior citizens and PWDs such as the 20% discount and exemption from value-added tax (VAT) on goods and services, as well as special discounts on basic necessities and prime commodities, as provided under Section 4 of Republic Act (RA) No. 7432, or the “Senior Citizens Act,” as amended, and Section 32 of RA No. 7277, or the “Magna Carta for Disabled Persons,” as amended, are to be applied in addition to any existing promotional offers or discounts offered by business establishments. It also clarifies that the availing of such discounts should not require the presentation of booklets for the purchase of goods.

The bill further provides that promotional offers or discounts extended to the general public cannot be counted as compliance with the mandated benefits under Section 4 of RA No. 7432 and Section 32 of RA No. 7277. This provision aims to address and put an end to recurring disputes between senior citizens and PWDs on one side, and business establishments on the other, regarding the proper application of the law.

To strike a balance between the interests of beneficiaries and business establishments, the measure allows that the 20% discount on specific goods and services, the input tax related to VAT-exempt sales to seniors and PWDs, and the special discounts on basic and prime commodities, shall all be treated as deductible expenses under Section 34 of the National Internal Revenue Code of 1997, as amended. This enables establishments to claim the discounts granted under the aforementioned laws as allowable deductions.

A similar bill was introduced in the 19th Congress by Representatives Joey Sarte Salceda, Rodolfo “Ompong” M. Ordanes, and Alfelito “Alfel” M. Bascug as principal authors. The measure was approved on Third Reading on May 21, 2024, and was transmitted to the Senate on May 22, 2025.

In view of the foregoing, the passage of this bill is earnestly sought.



YEDDA MARIE K. ROMUALDEZ



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DISABILITIES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. *Declaration of Policy.* – The State shall promote a just and dynamic social order that shall ensure the nation’s prosperity and independence as well as free its people from poverty. The State shall provide social justice in all phases of national development, and value the dignity of every human person, and guarantee full respect for human rights.

The State shall adopt an integrated approach to health development which shall endeavor to make essential goods, health, and other social services available to all at affordable cost. There shall be priority for the needs of the underprivileged, sick, elderly, and persons with disabilities.

To this end, the State shall preserve the preferential treatment accorded to senior citizens and persons with disabilities, and proportionately distribute its costs between the government and the people.

SEC. 2. *Applicability of Discounts of Senior Citizens and Persons with Disabilities to Goods and Services on Promotional Offer.* – The discount granted to senior citizens and persons with disabilities, including the twenty percent (20%) discount and exemption from the value-added tax (VAT) on goods and services, or the special discount on purchase of basic necessities and prime commodities, as provided under Section 4 of Republic Act (RA) No. 7432, otherwise known as “Senior Citizens Act,” as amended, and Section 32 of RA No. 7277, otherwise known as “Magna Carta for Disabled Persons with Disability,” as amended, shall be in addition to any prevailing promotional offers or discounts extended by business establishments, if any, has been provided, but in no way that it will require presentation of booklets in the procurement of goods.

In no case shall a promotion or discount offered by a business establishment to the general public be considered in compliance with Section 4 of RA No. 7432, as amended, and Section 32 of RA No. 7277, as amended.

SEC. 3. *Tax Treatment of Discounts.* – The twenty percent (20%) discount for senior citizens or persons with disabilities applied on certain goods and services, the input tax attributable to the VAT-exempt sale to senior citizens and persons with disabilities, and the special discount on basic necessities and prime commodities, shall be treated as part of deductible expense pursuant to Section 34 of the National Internal Revenue Code of 1997, as amended.

The establishments may claim the discounts granted under subsections (a), (c), and (j) of Section 4 of RA No. 7432, as amended, and subsection (a),

paragraphs (1), (2), (3), (5), (6), (7) and (8) and subsection (d) of Section 32 of RA No. 7277, as amended, as deduction based on the net cost of goods sold or services rendered: *Provided*, That the cost of the discount shall be allowed as deduction from gross income for the same taxable year that the discount is granted: *Provided, further*, That the total amount of the claimed tax deduction net of VAT, if applicable, shall be included in their gross sales receipts for tax purposes and shall be subject to proper documentation and to the provisions of the *National Internal Revenue Code*, as amended.

SEC. 4. *Implementing Rules and Regulations.* – The National Commission of Senior Citizens and the National Council on Disability Affairs, in consultation with the Department of the Interior and Local Government, Department of Trade and Industry, Department of Information and Communications Technology, Department of Health, Department of Finance, Bureau of Internal Revenue, and other relevant agencies and stakeholders, shall promulgate the necessary rules and regulations for the effective implementation of the provisions of this Act.

SEC. 5. *Separability Clause.* – If any provision of this Act is declared invalid or unconstitutional, other provisions hereof which are not affected thereby shall remain in full force and effect.

SEC. 6. *Repealing Clause.* – The pertinent provisions of the following laws are hereby repealed, amended, or modified accordingly:

- (a) Section 4 of RA No. 7432, as amended by RA No. 9994, otherwise known as the “Expanded Senior Citizens Act of 2010,” insofar as purchase of goods and services which are on promotional discount is concerned;

(b) Section 32 of RA No. 7277, as amended by RA No. 10754, insofar as higher discount granted by the commercial establishment, other existing laws or in combination with other discount programs is concerned.

(c) Section 32(j) of RA No. 9442, entitled “An Act Amending Republic Act No. 7277, Otherwise Known as the ‘Magna Carta for Disabled Persons, and for Other Purposes’”; and

(d) Section 4(l) of RA No. 9257, entitled “An Act Granting Additional Benefits and Privileges to Senior Citizens Amending for the Purpose Republic Act No. 7432, Otherwise Known as ‘An Act to Maximize the Contribution of Senior Citizens to Nation Building, Grant Benefits and Special Privileges for the Other Purposes’”.

All other laws, rules and regulations, and other issuances or parts thereof, which are inconsistent with the provisions of this Act, are hereby repealed, amended, or modified accordingly.

SEC. 7. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,